

PERSRU NEWSLETTER

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RETURNED PAYMENTS

HRSIC receives numerous returns of salary and allotment payments. The reasons include: closed accounts; bad account numbers; and frozen accounts. This causes delays for you, the financial institution, and HRSIC.

The primary reason for allotment returns is bad account data. Often an allotment is being sent to a loan account in error instead of a savings or checking account. We cannot pay to loan accounts – the account type at the financial institution must be a C (checking) or S (savings) account. When an allotment is rejected, HRSIC e-mails the PERSRU, explaining the problem and giving the PERSRU a chance to correct the data prior to the next month's payment. We credit the allotment amount to the member's salary account. If an allotment payment is returned a second time, HRSIC will stop the allotment.

Salary returns are normally due to an incorrect account number or a closed account. If the member is going to open a new account, **ask the member to make sure that the salary arrives at the new account prior to closing the old account.** Upon receiving a returned salary payment, HRSIC e-mails the PERSRU, explaining the problem; we wait for a reply prior to releasing the next payment. If a new POE has been input, HRSIC will re-route the member's salary payment to the updated account. If we need to intervene and redirect the current payment, we will do a check hold and make a special payment to the correct account.

If you have any questions about returned payments, contact HRSIC (MAS) Voucher Section at 785-357-3505 or 3506.

Steve Maupin (MAS)

PERSRU LES's

Judging from the calls received by HRSIC Customer Service, many of you have noticed that the PERSRU copies of LES's seem to take longer to get to you now than they did in previous months. You are right; they are taking longer, and there are a couple of reasons for that.

First, the printing of PERSRU LES's has been delayed by about two days each month. This delay occurred when we started using the new LES form. With the old form, the member and PERSRU copies were printed at the same time. But now, each set has to be printed separately, which means the PERSRU copies can't be printed until the member copies are finished. The member LES's take about two days to print, which are normally the two days after end of month compute. The two days after that are spent printing out PERSRU copies. In general, the PERSRU LES's are mailed out each month, five working days after end of month compute.

The second reason they are taking a little longer to get to you is a change from the U.S. Postal Service to the United Parcel Service. The switch increased the number of mail days from 2-3 days to 5-7 days. It saves us 67% on mailing costs and gives us the ability to track the packages. The tracking is not only convenient for us, but for the PERSRUs as well. When a PERSRU calls because they have not received the LES's, we can use the tracking to tell them exactly when they were delivered and who signed for them, or if something happened to them along the way.

Hopefully, this will clear up any confusion on the delivery of the PERSRU LES's. If you have any concerns or questions about the LES's, please call HRSIC Customer Service at (785) 357-3540.

YN2 Christina Picetti (MAS)

COMPUTING FEDERAL INCOME TAX WITHHOLDING (FITW)

The following charts show how federal income tax withholding (FITW) is computed. The charts reflect year 2000 federal withholding rates.

Step	Procedure	Result
1	Enter Monthly Taxable Income from Block 38, LES	A =
2	Multiply Allowances From Block 41 of LES by \$233.33	B = \$233.33 x =
3	Subtract B from A to get Monthly Nonexempt Income	C =

Step 4 - If Member Is Claiming Married in Block 41 of LES

<i>If C Is Over</i>	<i>But C Is Not Over</i>	<i>Compute Monthly FITW By</i>	<i>Amount</i>
\$0	\$538	Member Has No FITW	\$0.00
\$538	\$4,033	(C Minus \$538) Times 15%	\$
\$4,033	\$8,417	[(C Minus \$4,033) Times 28%] Plus \$524.25	\$
\$8,417	\$13,833	[(C Minus \$8,417) Times 31%] Plus \$1,751.77	\$
\$13,833	\$24,408	[(C Minus \$13,833) Times 36%] Plus \$3,430.73	\$
\$24,408		[(C Minus \$24,408) Times 39.6%] Plus \$7,237.73	\$

Step 4 - If Member Is Claiming Single in Block 41 of LES

<i>If C Is Over</i>	<i>But C Is Not Over</i>	<i>Compute Monthly FITW By</i>	<i>Amount</i>
\$0	\$221	Member Has No FITW	\$0.00
\$221	\$2,321	(C Minus \$221) Times 15%	\$
\$2,321	\$4,992	[(C Minus \$2,321) Times 28%] Plus \$315.00	\$
\$4,992	\$11,183	[(C Minus \$4,992) Times 31%] Plus \$1,062.88	\$
\$11,183	\$24,163	[(C Minus \$11,183) Times 36%] Plus \$2,982.09	\$
\$24,163		[(C Minus \$24,163) Times 39.6%] Plus \$7,654.89	\$

Hopefully, the above charts will help you counsel customers on how much their FITW will be when they change their allowances/exemptions.

Please remember that, per IRS regulations, whenever a member claims over 10 withholding allowances, or claims exemption from federal withholding, a copy of the member's W-4 must be sent to HRSIC (SES), who will forward the W-4 on to the IRS.

Dale Hosman
(MAS)

KEEP DEPENDENTS IN DEERS UP-TO-DATE

When was the last time you checked DEERS for your dependent's status?

HRSIC (RAS) is the responsible unit and office for processing the retiree certificates for active duty and reserve members. We also process the spouse certificate of appreciation. If the name of the spouse is not provided from the member or unit, RAS goes into DEERS to retrieve the spouse's name.

Yes, there have been errors using this information. Sometimes the spouse listed was not the current spouse. DEERS database is only up-to-date if the member and unit work at keeping it up-to-date.

CWO4 Bonnie Abendschan

FAMILY MEMBER DENTAL PROGRAM

When a member comes to you indicating one of his/her dependents is being denied dental coverage because the dependent is not covered by the Family Member Dental Plan, it is important that you do more than just review the member's LES. The LES may reflect family dental premiums, but this does not always mean that all family members are covered. You should also research: (1) PMIS/JUMPS segment 61 to see what the member's premium code is; and (2) the member's PDR to see what the member's DD Forms 2494 and 2494-1 indicate. The premium code in segment 61 will reveal to you the type of coverage the member has. Chapter 3, Section A, Segment 61 of the Query Manual, PPCINST M5230.2, provides the legend of premium codes.

Example: Member reports to the PERSRU that a dependent dental bill is not being paid because a certain family member is not covered. The PERSRU looks at the LES and it reflects family dental premiums. The PERSRU tells the member all the family members are covered. When the member contacts HRSIC to resolve this issue, a review of his Segment 61 reflects a premium code of 6 (family coverage for 2 or more dependents remotely located from other dependents). This means the member completed a DD Form 2494-1 electing only partial enrollment for certain dependents physically located in a remote area. The member executed the DD Form 2494-1 back in 1993, and never changed his election to also cover other dependents. The family member that received dental treatment was not a covered dependent. Therefore, the member has to pay the dental bill.

When receiving inquiries from members, please research segment 61, and review the DD forms 2494 and 2494-1 in the member's PDR. You may also call United Concordia at 1-800-866-8499 to verify the member's enrollment status.

Kevin Elmer (MAS)

FAMILY DENTAL COVERAGE AFTER SEPARATION



There have been complaints from members who claim that they have been counseled by their PERSRU that their family members are eligible for 120 days of dental care through the TRICARE Family Member Dental Plan (TFMDP) after the member separates. This is erroneous information since coverage under the TFMDP automatically terminates on the last

day of the month for which a premium was deducted unless the member leaves on the first day of a month, in which case, enrollment terminates the last day of the preceding month. There are no provisions to continue TFMDP coverage after active duty service ends (except in cases where the member dies while on active duty and their enrolled family members receive the one year death benefit).

However, under the Transitional Assistance Management Program (TAMP), certain members and their family members may be eligible for medical and dental care for limited time periods (after a member separates). This care is offered through TRICARE (for medical care and adjunctive dental care) and military dental treatment facilities (for SPACE AVAILABLE dental care). This type of care is not related to the TFMDP. Eligibility for TAMP benefits is contingent on the reason the member separated, the plan they separated under and the number of years of active service the member had before the separation date.

Marguerite Thornton
(SDM)

SELECTIVE REENLISTMENT BONUSES (SRB'S)

Extensions of enlistment have a profound impact on a member's SRB entitlement. Extended active duty in the Reserve likewise has a major SRB impact.

Here are two example cases illustrating the complexities:

CASE #1

- Member enlisted in the Coast Guard for four years on 15 October 1993. Member's original active duty termination date was 14 October 1997.
- Member extended his enlistment for twenty-five months. Member's new active duty termination date became 14 November 1999. (Because this extension was for less than three years, member was not entitled to an SRB.)
- Member signed an agreement on 15 June 1999 to further extend his enlistment for a period of three years, with the extension becoming effective 15 November 1999.
- Member is currently an RD1.
- SRB multiples for RD's during the period 15 June 1999 thru 31 December 1999 are as follows:
 - Zone A = Multiple of four
 - Zone B = Multiple of two

The question becomes, what SRB entitlement does this RD1 have in conjunction with his three year extension of enlistment? The answer is that this RD1 will be entitled to an SRB multiple of two effective 15 November 1999 when his extension becomes operative.

Paragraph 3.d.(11) of enclosure (1) to COMDTINST 7220.33 provides as follows: "Entitlement to SRB multiple and bonus ceiling is established on the actual date of reenlistment or the date the member executes an Agreement to Extend Enlistment by signing Form CG-3301B. Entitlement to any Zone of SRB is established only on the date the member reenlists or the extension becomes operative."

In terms of extensions, what this paragraph says – when it is read in combination with paragraphs 3.a. and 3.b. of Enclosure (1) to COMDTINST 7220.33 -- is that:

- (1) When a member extends an enlistment, SRB payments are based on the multiplier in effect on the date the extension agreement is executed, rather than on the date the extension agreement becomes operative.
- (2) However, since the member will have more than 6 years active service on the date the extension becomes operative, the member no longer is eligible for a Zone A bonus – he only has eligibility for a

Zone B bonus.

Would there have been a better option for this RD1? Yes, instead of extending for three years effective 15 November 1999, he could have reenlisted for three years sometime between 15 July 1999 and 15 October 1999. This would have entitled the member to a Zone A bonus. The unserved (1 to 4) months of the extension would be deducted from the SRB computation, but the multiple of four would still have reaped the member a lot of extra dollars.



CASE #2

- Member enlisted in the Reserve on 15 October 1997.
- Reservist entered on extended active duty for twenty-four months on 10 January 1998.
- On 10 September 1999, the reservist elects to reenlist in the Coast Guard for four years. On the effective date of reenlistment, the reservist has served 20 months continuous active duty.
- Reservist's rank is MK2.
- The Zone A SRB multiple in effect for a MK2 is two.

Question: Is this reservist entitled to an SRB effective 10 September upon reenlisting?

Answer: No, per paragraph 3.a.(2) of enclosure (1) to COMDTINST 7220.33, reservists are only entitled to a Zone A SRB if they have completed 21 months continuous active duty at the time they reenlist / extend. In this case, since the reservist reenlisted prior to attaining 21 months continuous active duty, he is not entitled to an SRB.

If you ever have any questions about SRB's and other bonuses, feel free to call HRSIC (CST) at 785-357-3540.

**YN2 Kyle Brown
(MAS)**

